

Pennsylvania Residential Disclosure Statement and Terms of Service

This is an agreement for electric generation service between Rushmore Energy, LLC (Rushmore Energy) and you, for the service address or addresses set forth in your Electric Service Agreement and confirmed in your welcome letter. Together, this Disclosure Statement, including the terms of service set forth herein, and your Electric Service Agreement collectively describe your agreement with respect to your purchase of electric generation service from Rushmore Energy (Agreement). You will be bound by all the provisions of the Agreement, as they may be amended from time to time. Rushmore Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply electric generation services in Pennsylvania. Our PUC license number is A-2014-2419896. Your Electric Distribution Company will deliver the electric generation to you. The Federal Energy Regulatory Commission regulates transmission prices and services. Generation prices and charges are set by the electric generation supplier you have chosen. The Public Utility Commission regulates distribution prices and services.

Definitions

- Electric Distribution Company (EDC) The public utility that provides facilities for the transmission and distribution of electricity to retail customers.
 Electric distribution companies are regulated by the PUC. Exceptions include building or facility owners or operators that manage their internal distribution system and supply electric power and electric services to occupants of the building or facility.
- Electric Generation Supplier (EGS) A person or corporation, generator, broker, marketer, aggregator or any other entity licensed by the PUC that sells electricity to customers, using the transmission or distribution facilities of an electric distribution company (EDC).
- Generation Charge The charge for producing electricity. Generation service is competitively priced and is not regulated by the Public Utility
 Commission. If you purchase electricity from an electric supplier, your generation charge will depend on the contract between you and your
 supplier.
- Public Utility Commission (PUC) The Pennsylvania Public Utility Commission is the state regulatory agency that provides oversight, policy guidance and direction to public utilities. The PUC licenses electric suppliers but does not otherwise oversee or regulate suppliers.
- Transmission Charge The cost for transporting electricity from the generation source to your electric distribution company. For most electric
 customers who select a new supplier, transmission costs will be included in the charges from your new supplier. The Federal Energy Regulatory
 Commission regulates retail transmission prices and services. This charge will vary with your source of supply.

Right of Rescission - You may cancel this Agreement at any time before midnight of the third business day after receiving this disclosure statement by calling (800) 590-7295 during business hours (Monday-Friday, 9:00am - 5:00pm EST), by sending an email to ContactUs@RushmoreEnergy.com, or by writing to Rushmore Energy at the address listed below in Section 12.

1. Basic Service Prices.

- (a) Fixed Rate. If your rate is a fixed rate, you will pay the fixed rate per kWh set forth in your Electric Service Agreement and confirmed in your welcome letter during the term specified in your Electric Service Agreement, plus the base monthly charge, if any. This rate will include the Generation Charge, Transmission Charge, and estimated state taxes including gross receipts tax, but excludes applicable state and local sales taxes for services provided under this Agreement. See the end of Section 1 for a summary of pricing information.
- (b) Variable Rate. If your rate is a variable rate, your rate per kWh for electric generation service provided under this Agreement may change each billing period based upon wholesale market conditions as they exist at the time. You will not know the price until the time of billing. Rushmore will charge you for all electricity billed by your EDC at a variable rate per kWh, based upon the price that we are able to obtain for electricity in the PJM market at your load zone for the applicable period, plus an adder of up to \$0.10 per kWh, plus other generation charges, transmission charges, and any base monthly charge, but we will not charge you for EDC service. The price may change with no limit from one billing cycle to the next. See the end of Section 1 for a summary of pricing information.

Your price includes estimated state taxes including the gross receipts tax, but not applicable state and local sales taxes. You are responsible for any and all taxes (whether passed through to you on the EDC's bill as a separate line item or as part of the price of electricity, as required by law, rule, or regulation) and EDC charges for delivery and distribution services. Except as otherwise provided in this Agreement or as required by law, all taxes of whatsoever kind, nature and description, due and payable with respect to your performance of your obligations under this Agreement, will be paid by you. If you are a tax-exempt entity, you must provide Rushmore Energy with the necessary certificates and other documentation to qualify for such status. You can find our current variable price by calling Rushmore Energy at (800) 590-7295 during business hours (Monday-Friday, 9:00am -5:00pm EST) or by visiting the company website at www.RushmoreEnergy.com. Rushmore Energy does not pay or arrange for the payment of any outstanding debts owed by you to the EDC or any previous Electric Generation Supplier (EGS).

Summary Pricing Information for your particular plan is provided below. Base monthly charge: \$0.

Introductory:	n/a	Intro Term: (months)	n/a
Usage:	500 kWh	1,000 kWh	2,000 kWh
Avg. Price (¢ per kWh including base monthly charge):	n/a	n/a	n/a

Remaining Term: (months)	36		
Usage:	500 kWh	1,000 kWh	2,000 kWh
Avg. Price (¢ per kWh including base monthly charge):	12.2	12.2	12.2

Promotion: n/a

- 2. Billing. Your EDC will continue to issue a monthly bill and the bill will include both your Transmission Charge and your Generation Charge, and any other charges incurred in accordance with this Agreement. Bills will continue to be based on actual or estimated meter readings. Rushmore Energy will use the same meter reading information from the EDC to derive your Generation Charges. Unless otherwise provided herein, your payment terms will be governed by the terms of the EDC's tariff.
- 3. Length of Agreement. With the exception of a new meter installation or special meter reading date, you will buy your electric generation service for the service addresses set forth in your Electric Service Agreement from Rushmore Energy on the next regularly scheduled meter reading date available and will continue for the duration of the term specified in your Electric Service Agreement (the Term) and confirmed in your welcome letter and above. You have three days to accept or decline this Agreement upon receipt. This Agreement shall remain in effect until Rushmore Energy is notified of your intent to cancel and until such time as the EDC completes the termination in accordance with its rules.
- 4. Penalties, Fees and Exceptions.

<u>Fixed Rate Contracts</u>. If you cancel this Agreement prior to the end of the Term, you will be subject to an early cancellation fee unless such fee is waived or otherwise modified in writing by Rushmore Energy. The fee is \$5.00 for each month remaining in the Term. You will not be subject to any penalties or fees if you terminate this contract at any time between the date the options notice described in Section 6 below is issued and the expiration of the Term.

You will be responsible for amounts due, up to the switch date, of all outstanding charges incurred prior to cancellation by you. Any early cancellation fee may automatically be applied to your credit card or bank account depending on the automatic payment arrangements made during enrollment. If you default in the prompt payment of amounts due under this Agreement, you will be liable for any and all fees or charges, including reasonable attorney fees and court costs, incurred in connection with the collection of delinquent balances. Rushmore Energy may use the services of debt collection agencies, consumer reporting agencies, and other remedies as allowed by law to collect any unpaid balances on your account.

- 5. Cancellation Provisions. You may cancel this Agreement without any penalty any time before midnight of the third business day after receiving this Agreement. After the third business day from receiving this Agreement, you may cancel this Agreement at any time by calling Rushmore Energy at (800) 590-7295, but you will be required to pay the early cancellation fee described in Section 4 above if you cancel prior to the expiration of the Term of this Agreement. You may also cancel this Agreement without penalty if you move to a location outside the EDC service area and provide reasonable evidence, if required, that you no longer occupy the service address. If you request to cancel this Agreement, the cancellation will not take effect until the next actual meter read date following the date Rushmore Energy notifies your EDC. You will be responsible for all payments due hereunder until the cancellation of electric generation service is completed. If for any reason Rushmore Energy is no longer able to economically continue this Agreement, Rushmore Energy may cancel this Agreement at any time after complying with applicable regulations. This Agreement may be cancelled at the sole discretion of Rushmore Energy if you fail to meet any of the terms and conditions of this Agreement or if any of the information you have provided to Rushmore Energy is or becomes untrue. Rushmore may also cancel this Agreement if your EDC is unable to read your meter or Rushmore is unable to bill you for consecutive months. If this Agreement is canceled or expires, you will receive uninterrupted service from the EDC until you designate another provider of electric generation service or service is shut off by the EDC. Only the EDC may shut off your electric power.
- 6. Agreement Expiration/Change in Terms. If you have a fixed duration contract that will be ending, or whenever Rushmore Energy wants to change the contract, you will receive two separate notices before the contract ends or the changes happen. You will receive the first notice 45 to 60 days before, and the second notice 30 days before the expiration date or the date the change becomes effective. These notices will explain your options. Rushmore Energy will provide written notice to you, free of charge, and a copy of any material change to this Agreement prior to the date any such change becomes effective. Upon receipt of written notice of a material change, you may cancel this Agreement without penalty prior to the date such change becomes effective. If we do not receive a response by the end of your Term, we may return you to utility standard service, or you may be automatically placed on our then current, month-to-month product, you may cancel service with Rushmore at any time, without penalty, according to the rules of your EDC.
- 7. Information Release and Authorization. You designate Rushmore Energy as your authorized agent and hereby authorize Rushmore Energy to obtain credit and power usage history from your EDC. We will use such information to make forecasting, purchasing, and other business decisions under this Agreement. Acceptance of this Agreement is an authorization for the release of the information. You also hereby authorize Rushmore Energy to arrange transmission and other services for the purpose of serving your account. This authorization will remain in effect during the Term and any renewal term of this Agreement. You may rescind your authorization at any time by providing written notice thereof to Rushmore Energy. You hereby consent to being contacted by Rushmore or its agents via phone, fax, email, text message, or other reasonable means, at any of your contact numbers or physical or electronic addresses, regardless of your listing on any federal, state, provincial, or other applicable "Do Not Call" list. Such contact will be in regard to the services provided under this Agreement, the collection of past due balances, or for matters related to your account. Rushmore Energy will maintain the confidentiality of your personal information including the customer's name, address, telephone number, electric usage, and historic payment information, as required by applicable Commission regulations and Federal and state laws.
- 8. Dispute Procedures. Contact us with any questions concerning our terms of service. You may call the PUC if you are not satisfied after discussing your terms with us.
- 9. Warranties. RUSHMORE ENERGY MAKES NO REPRESENTATIONS OR WARRANTIES, EITHER EXPRESSED OR IMPLIED, WITH REGARD TO THE PROVISION OF ELECTRIC GENERATION SERVICE AND DISCLAIMS ANY AND ALL WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ARISING OUT OF ANY COURSE OF DEALING OR USAGE OF TRADE.
- 10. Limitation of Liability. You will be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of the electric power after receipt at the delivery point or points. RUSHMORE ENERGY WILL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL,

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PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES (INCLUDING LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES), WHETHER BY STATUTE, IN CONTRACT OR TORT, EVEN IF THE RESULT OF NEGLIGENCE (WHETHER SOLE, JOINT, CONCURRENT, ACTIVE OR PASSIVE). ALL OTHER LIABILITY WILL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, AND SUCH DIRECT ACTUAL DAMAGES WILL BE THE SOLE AND EXCLUSIVE REMEDY. YOU HEREBY WAIVE ALL OTHER REMEDIES AT LAW OR IN EQUITY. THERE ARE NO THIRD PARTY BENEFICIARIES TO THIS AGREEMENT. To the extent any damages required to be paid hereunder are liquidated, the parties acknowledge that the damages are not intended and shall not be construed as a penalty, such damages are difficult or impossible to determine, that otherwise obtaining an adequate remedy is inconvenient or impossible, and that the liquidated damages constitute a reasonable approximation of the harm or loss.

11. Miscellaneous.

- (a) If Rushmore Energy is rendered unable to perform, in whole or in part, by a Force Majeure event, its performance under this Agreement will be excused for the duration of such event. "Force Majeure" means any act or event that is beyond the reasonable control of Rushmore Energy that adversely affects, interrupts, or precludes its performance. In addition, acts of other parties, including without limitation, RTOs, aggregators, other EGSs, qualified scheduling entities, EDCs, any governmental authority, and the respective employees and agents of such parties, will also be deemed to be events of Force Majeure.
- (b) Your electric generation service will be provided in accordance with your existing connection requirements unless you request a change by the EDC and pay for the cost of that change. You may not resell or use any electric power provided under this Agreement as an auxiliary or supplement to any other source of power. The supply of electric power under this Agreement will be measured at the delivery point by the EDC providing the delivery service in accordance with the terms of the applicable tariff for electric generation service. Rushmore Energy and you will be bound by the measurement from the meters owned, installed, maintained, and read by the EDC.
- (c) This Agreement will be governed by, interpreted, construed, and enforced in accordance with the laws of the State of Pennsylvania, without regard to principles of conflicts of laws.
- (d) Information about shopping for an electric supplier is available at www.PaPowerSwitch.com or other successor media platform as determined by the Commission, by calling the Commission at (800) 692-7380 and the Office of Consumer Advocate at (800) 684-6560 or at www.oca.state.pa.us.
- (e) This Disclosure Statement and Terms of Service, along with your Electric Service Agreement as confirmed by your welcome letter, constitute the entire agreement between you and Rushmore Energy relating to the subject matter hereof and supersede any other agreements, written or oral, between you and Rushmore Energy concerning the subject matter of the Agreement.
- (f) Rushmore Energy may assign this Agreement, together with all rights and obligations hereunder, to (i) Rushmore Energy's electricity supplier, or such supplier's designee, (ii) an affiliate of Rushmore Energy or to any other person succeeding to all or substantially all of Rushmore Energy's assets, or (iii) in connection with any financing or other financial arrangement. Rushmore Energy will provide you with 30 days notice prior to assignment of this Agreement.
- (g) Any failure by Rushmore Energy to enforce any term or condition of your electric generation service or otherwise exercise any right it may have under this Agreement will not be deemed a waiver of any rights to thereafter enforce any or all of the terms or conditions of your service or to exercise rights under this Agreement.
- (h) Should any provision of this Agreement for any reason be declared invalid or unenforceable by final and applicable order by a court or any regulatory body having jurisdiction, such decisions shall not affect the validity of the remaining portions, and the remaining portions shall remain in effect as if this Agreement had been agreed to without the invalid portion. If any provision of this Agreement is declared invalid, the remainder of this Agreement will be construed so as to give effect to its original intent and effect as nearly as possible.
- (i) The provisions of this Agreement concerning payment, limitation of liability, and waivers will survive the cancellation or expiration of this Agreement.
- 12. Contact Information. Information regarding Rushmore Energy's generation energy sources, variable rates, energy efficiency, environmental impacts, or historical billing data is available upon request. Residential customers and small commercial customers are entitled to receive at no charge, and at least once a year, historical billing data from whomever reads their meter for billing purposes. You may also contact Rushmore Energy at (800) 590-7295 or ContactUs@RushmoreEnergy.com to obtain the previous 24 months' average monthly billed prices for your rate class and EDC service territory. Historical pricing cannot predict current or future prices.

Electric Generation Supplier: Rushmore Energy, LLC

P.O. Box 2640

Sugar Land, TX 77487

(800) 590-7295

PA License No.: A-2014-2419896 www.RushmoreEnergy.com

Hours of Operation: Monday through Friday (except holidays), 9:00 a.m. to 5:00 p.m., Eastern

Standard Time

Public Utility Commission: Pennsylvania Public Utility Commission

P.O. Box 3265

Harrisburg, PA 17105-3265

Utility Choice Hotline: 1-800-692-7380